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January 11, 1980

No. 80/8

TO COUNTY ASSESSORS:

APPRAISAL OF PROPERTY PRIOR TO SALE
FOR DELINQUENT TAXES OR ASSESSMENTS

On September 13, 1979 the Governor approved Assembly Bill 560 (Chapter 615). This bill added Section 3698.5 to the Revenue and Taxation Code and Section 6509(d) to the Streets and Highway Code relating to the minimum bid for property being sold for nonpayment of property taxes and/or street improvement bonds.

Under both statutes, the county assessor is required to determine the fair market value, as defined by the Revenue and Taxation Code Section 110, of the property to be sold.

The date of the appraisal must not be more than one year immediately preceding the date of the public auction. Therefore, if the assessor has made a fair market appraisal of the property for tax purposes within the prescribed period, he need not make another. In most instances a new appraisal will be required since only a change of ownership triggers a reappraisal.

The final value determination must include the cost of the appraisal, advertising, and recording in the case of tax-deeded property. The costs of appraisal, notices, recording, and abstract of title or title search must be included in the case of property encumbered with street and highway bonds. Personalty will not be considered in the appraisal because personalty originally secured to tax delinquent real property will not be included in the tax sale.

Sincerely,

Verne Walton, Chief
Assessment Standards Division

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